

**CITY OF GOLD BAR, WASHINGTON  
RESOLUTION NO. 12-13**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GOLD BAR, WASHINGTON, AUTHORIZING AN INTERFUND LOAN FROM THE WATER FUND (FUND 401) TO THE LITIGATION FUND (FUND 015) FOR THE PURPOSE OF COVERING POTENTIAL ESTIMATED REVENUE SHORTAGES; AND ESTABLISHING AN INTEREST RATE AND REPAYMENT TERMS.**

**WHEREAS**, the "Attorney - Litigation" line item expenditures in the General Fund have been more than anticipated in the initial budget process; and

**WHEREAS**, the affected General Fund expenditure line has been moved to a new fund, Litigation Fund 015; and

**WHEREAS**, funds are not available to cover these expenses;

**WHEREAS**, the Water Fund has sufficient excess funds, not necessary for any other purpose at this time, available to temporarily cover the potential shortfall in the Litigation Fund; and

**WHEREAS**, an interest rate of four and a half (4.5%) percent reflects savings interest rates available to the City of Gold Bar, NOW THEREFORE,

**THE CITY COUNCIL OF THE CITY OF GOLD BAR, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:**

A loan from the Water Fund 401 to the Litigation Fund 015, totaling an amount not to exceed \$77,000, is hereby authorized upon the following terms and conditions:

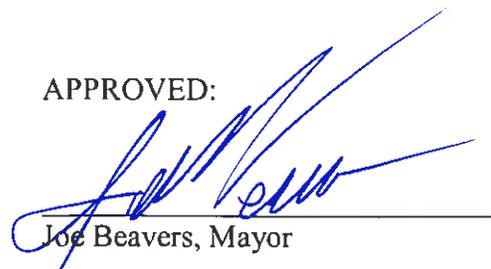
- A. The transfer of funds from the Water Fund to the Litigation Fund shall be made only when necessary to cover expenditures when revenues are not sufficient.
- B. The loan will have an interest rate of four and a half percent (4.5%) per annum and the interest will accrue from the date of transfer.
- C. The loan and interest will be repaid no later than three years from issuance. Income to repay the loan in 2012 will come out of the loan principle and income to repay the loan in 2013 will come out of the Excess Levy proposition on the November ballot this year.
- D. Failure of the Excess Levy proposition will require General Fund transfers to cover litigation expenses.

RESOLVED this 17th day of July, 2012.

ATTEST/AUTHENTICATED:

  
\_\_\_\_\_  
Laura Kelly, City Clerk/Treasurer  
Denise Beaston, City Utility Clerk

APPROVED:

  
\_\_\_\_\_  
Joe Beavers, Mayor